

1-1 By: Paul (Senate Sponsor - Taylor of Galveston) H.B. No. 1585
 1-2 (In the Senate - Received from the House May 18, 2015;
 1-3 May 18, 2015, read first time and referred to Committee on Business
 1-4 and Commerce; May 22, 2015, reported favorably by the following
 1-5 vote: Yeas 7, Nays 0; May 22, 2015, sent to printer.)

1-6 COMMITTEE VOTE

| | Yea | Nay | Absent | PNV |
|------|-----|-----|--------|-----|
| 1-7 | X | | | |
| 1-8 | X | | | |
| 1-9 | X | | | |
| 1-10 | X | | | |
| 1-11 | X | | | |
| 1-12 | | | X | |
| 1-13 | X | | | |
| 1-14 | | | X | |
| 1-15 | X | | | |
| 1-16 | X | | | |

1-17 A BILL TO BE ENTITLED
 1-18 AN ACT

1-19 relating to the use of hotel occupancy tax revenue in certain
 1-20 municipalities.

1-21 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-22 SECTION 1. Section 351.101, Tax Code, is amended by adding
 1-23 Subsection (j) to read as follows:

1-24 (j) In addition to the purposes provided by Subsection (a),
 1-25 a municipality that has a population of not more than 5,000 and at
 1-26 least part of which is located less than one-eighth of one mile from
 1-27 a space center operated by an agency of the federal government may
 1-28 use revenue from the municipal hotel occupancy tax for expenses,
 1-29 including promotion expenses, directly related to a sporting event
 1-30 in which the majority of participants are tourists who
 1-31 substantially increase economic activity at hotels and motels
 1-32 within the municipality or its vicinity.

1-33 SECTION 2. Subchapter B, Chapter 351, Tax Code, is amended
 1-34 by adding Section 351.1071 to read as follows:

1-35 Sec. 351.1071. ALLOCATION OF REVENUE: CERTAIN
 1-36 MUNICIPALITIES. (a) This section applies only to a municipality:

1-37 (1) that has a population of not more than 5,000; and
 1-38 (2) at least part of which is located less than
 1-39 one-eighth of one mile from a space center operated by an agency of
 1-40 the federal government.

1-41 (b) In this section, "authorized facility" means a civic
 1-42 center, marina, meeting room, hotel, parking facility, or visitor
 1-43 center, including signage related to the facility, that:

1-44 (1) is owned by the municipality or a nonprofit
 1-45 corporation acting on behalf of the municipality;

1-46 (2) is located not more than 1,000 feet from a hotel
 1-47 property in the municipality; and

1-48 (3) substantially enhances hotel activity and
 1-49 encourages tourism within the municipality.

1-50 (c) Subject to Subsection (d) and notwithstanding any other
 1-51 provision of this chapter, a municipality to which this section
 1-52 applies may use the amount of revenue derived from the application
 1-53 of the tax under this chapter at a rate of three percent of the price
 1-54 paid for a room in a hotel to:

1-55 (1) establish, acquire, purchase, construct, improve,
 1-56 maintain, or operate an authorized facility; and

1-57 (2) pay bonds issued for a purpose described by
 1-58 Subdivision (1).

1-59 (d) A municipality may not use municipal hotel occupancy tax
 1-60 revenue on an authorized facility in a total amount that would
 1-61 exceed the amount of that revenue attributable to events at that

2-1 facility for the 15-year period following the completion of
 2-2 construction.

2-3 (e) A municipality that uses municipal hotel occupancy tax
 2-4 revenue for a purpose authorized by this section shall publish
 2-5 annually for the 15-year period following the completion of
 2-6 construction at the authorized facility for which the revenue was
 2-7 used a report on the Internet website of the municipality that
 2-8 lists:

2-9 (1) for the preceding year, the events held at the
 2-10 authorized facility with respect to which the tax revenue was used
 2-11 and the number of hotel room nights attributable to those events;
 2-12 and

2-13 (2) the amount of hotel revenue and municipal hotel
 2-14 occupancy tax revenue attributable to events held at the authorized
 2-15 facility in that year.

2-16 (f) If a municipality uses municipal hotel occupancy tax
 2-17 revenue to establish, acquire, purchase, construct, or improve an
 2-18 authorized facility, the municipality shall, on the 5th, 10th, and
 2-19 15th anniversaries of the completion of construction at the
 2-20 facility:

2-21 (1) calculate:

2-22 (A) the sum of:

2-23 (i) municipal hotel occupancy tax revenue
 2-24 used to maintain or operate the facility in the past five years;

2-25 (ii) one-third of the amount of municipal
 2-26 hotel occupancy tax revenue used to establish, acquire, purchase,
 2-27 construct, or improve the authorized facility; and

2-28 (iii) any credits carried over from a
 2-29 previous five-year period, as authorized by Subsection (g); and

2-30 (B) municipal hotel occupancy tax revenue
 2-31 directly attributable to events held at the authorized facility in
 2-32 the past five years; and

2-33 (2) if the amount calculated under Subdivision (1)(A)
 2-34 exceeds the amount calculated under Subdivision (1)(B), reimburse
 2-35 the municipality's hotel occupancy tax revenue fund from the
 2-36 municipality's general fund in the amount of the difference.

2-37 (g) If, for a given five-year period, the amount calculated
 2-38 under Subsection (f)(1)(B) exceeds the amount calculated under
 2-39 Subsection (f)(1)(A), the municipality may carry forward the
 2-40 difference to be used as a credit in a subsequent five-year period.

2-41 SECTION 3. This Act takes effect immediately if it receives
 2-42 a vote of two-thirds of all the members elected to each house, as
 2-43 provided by Section 39, Article III, Texas Constitution. If this
 2-44 Act does not receive the vote necessary for immediate effect, this
 2-45 Act takes effect September 1, 2015.

2-46 * * * * *